

DD/6 - 61-4/36

1 DEC 1961

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Status of the Positions of the Director of Central Intelligence and the Deputy Director of Central Intelligence

1. The National Security Act of 1947 established the Agency and the position of the Director of Central Intelligence with a salary of \$14,000 per annum. It did not provide for a Deputy Director.

2. In 1949, a general federal executives pay bill increased the salary of the Director of Central Intelligence to \$16,000 and set the salary of the Deputy Director at \$14,000. The present salaries of the Director at \$21,000 and the Deputy Director at \$20,500 were established by the Federal Executive Pay Act of 1956 (FEPA) which Act was the last general legislation setting compensation for federal executives.

3. A 1953 amendment to the National Security Act established the office of the Deputy Director to be appointed, like the Director, with the advice and consent of the Senate. A military officer may be appointed to either position but not both. If the military pay is less than the amount provided in the statute, the Agency will pay the difference.

4. Since enactment of FEPA, legislation granting pay increases for certain groups and creating new agencies and positions has significantly altered the relative pay positions in the top structure of Government. There is attached an Appendix A showing the various groupings according to annual compensation of the top executives in Government. The Director of Central Intelligence is in Group 7 or Category IV of FEPA and when FEPA was passed in 1956 there were only eighteen positions in Categories I, II and III of FEPA. Today there are approximately 150 positions in Government with compensation in excess of the salary provided for Category IV of FEPA.

5. Attached as Appendix B is draft legislation to establish the position of the Director at \$25,000 per annum and that of the Deputy Director at the rank of Under Secretary which would place these positions in Category I and II of FEPA, respectively.

Atts - 2

SIGNED

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Return To Mr. Houston